



# WISCONSIN REGULATORY DIGEST

**Volume 10, No. 1**

**A Publication for  
REAL ESTATE**

**March, 1997**

## **A Message from the Chair by James R. Imhoff, Jr.**

There is a name missing from the list of board members below which had appeared in 15 issues of this Regulatory Digest. F. Marvin Hannah, Sr., had served as a public member on the Real Estate Board for over 7 years. He recently resigned because his administrative responsibilities at the Milwaukee Area Technical College required more of his time and energy. We appreciate Mr. Hannah's contributions to the Board. As a person not involved in the real estate industry, he frequently stopped the discussion long enough to obtain an explanation of an industry practice, procedure or document. Then he objectively considered the regulatory issues and made an informed decision. His educational expertise enabled him to take a strong role in reviewing and approving pre-license and continuing education programs, courses, policies and procedures. He was also the Board's liaison with

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## **Licensing Staff**

### **Real Estate General Number (608) 266-5511**

**The Real Estate general telephone number has a voice mail system which when dialed gives a recorded message and permits the caller to press 1, 2, 3 or 4 to reach the specific staff person listed below or to leave a message.**

Elaine Backey	(608) 267-7134	Real estate education and exam, continuing education for real estate renewal.
Judy Dahler	(608) 266-5522	Real estate transfers from one employer to another, trade names, verification and certification of licensure.
Sandi Lesperance	(608) 267-1816	Real estate original and renewal of licenses, (address/name changes--in writing to the Department).
Marlene Maly	(608) 266-0648	Real estate business practice questions and complaints against licensees.
TTY Number	(608) 267-2416	For hearing or speech impaired only.
TRS Number	1-800-947-3529	For hearing or speech impaired only.
FAX Number	(608) 267-3816	

## **THE WISCONSIN REAL ESTATE BOARD**

James R. Imhoff, Jr., Chair, Madison  
Beechie Brooks, Vice-Chair, Milwaukee  
Kathryn Neitzel, Secretary, Madison  
Christine Nuernberg, Mequon  
Nancy Gerrard, LaCrosse  
Richard E. Hinsman, Racine  
Vacancy, Public Member

## **Administrative Staff:**

Cletus J. Hansen, Bureau Director

## **Executive Staff:**

Marlene A. Cummings, Secretary  
Patricia McCormack, Deputy Secretary  
Myra Shelton, Executive Assistant

### **Message from the Chair (Continued)**

the Impaired Professionals Procedure, a program which works with licensees whose work has been affected by drug or alcohol violations. We thank Mr. Hannah for his service to the State of Wisconsin and the Board.

I would like to make you aware of a license law violation which has given the Board considerable concern lately. On quite a number of occasions during the past year we became aware of people who practiced for many months without having renewed their license. Yes, excuses are always given to us and some of them aren't too bad. However, none of them are good enough. Simply stated, it is every licensee's duty to renew on time and every broker-employer's duty to determine that his or her sales associates have done so. Every two years, before and after license renewals, this Regulatory Digest advises brokers to ascertain that all of their sales associates have renewed their licenses. That same reminder occurs elsewhere in this issue. Please take the advice seriously and avoid future problems for the employing broker and the sales associate. The Board has decided that violations of this nature should include a forfeiture (a fine), in addition to any other discipline rendered by the Board. Both the broker-employer and the sales associate may end up paying for their oversight.

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#### **Renewal Statistics**

License renewal notices were sent to:

Brokers - 16,721  
Corporations - 1,777  
Partnerships - 104  
Timeshare Salespersons - 234  
Salespersons - 10,690

As of February 5, 1997, the following have not renewed:

Brokers - 2,949  
Corporations - 235  
Partnerships - 21  
Timeshare Salespersons - 190  
Salespersons - 3,027

As of February 5, 1997, there were 623 renewal applications "in process." These were awaiting the payment of a late filing fee or a signed statement concerning the completion of continuing education. The department will still receive other late renewal applications and will grant renewal licenses upon payment of the renewal fee and a late filing fee, evidence of completion of continuing education requirements, and the absence of any tax delinquency problems.

The number of licensees has diminished in recent years. On June 30, 1991 there were

25,222 individual brokers and 12,367 salespersons (37,589 total). On June 30, 1995 there were 16,777 individual brokers and 11,893 salespersons (28,670 total).

#### **Evidence of License Renewals**

The law requires licensees to renew their license on time. Licensees who fail to renew do not receive reminder notices from the Department. Nor will they receive this Regulatory Digest. Therefore, all licensees who are practicing real estate should check their license periodically and make sure that it has not expired. This is especially important in November or December of even-numbered years (licenses expire on January 1 of odd-numbered years). We have encouraged broker-employers to request evidence from their sales associates that they filed a timely renewal application before January 1, 1997. Now it is even more critical that broker-employers demand evidence from all their sales associates that they have received a renewed license certificate. Any sales associate who has not renewed his or her license should not be permitted to work. The only exception is a person who had filed a timely and complete renewal application which the Department denied and the person subsequently appealed the decision. In this case a person may continue to practice while exercising his or her right of due process.

### **Exam Fees**

Believe it or not, some fees actually do decrease. The Department received bids from 6 national test providers and chose PSI Examination Services to continue providing the pre-license exams and the continuing education test-out exam by computer at 4 locations in Wisconsin. The pre-license exam will decrease by \$5.00; the test-out fee will increase by \$2.00. However, express registration fees for both types of exams will decrease. The non-express exam fees after July 1, 1997, will be \$79 - Sales Both Parts, \$69 - Sales National, \$59 - Sales State, \$79 - Broker's, and \$49 - Continuing Education Test-out Exam. New exam brochures will be published during the next few months and will contain the revised fees.

### **Contractual Forms**

Offer to Exchange Property (WB-35). A revised form is now available from your favorite forms printer. It bears an approval date of January 1, 1997. Real estate licensees may not use any other exchange forms.

Business Listing Contract (WB-6) and Business Offer to Purchase (WB-16). Revised forms should be available at the time you read this notice. The revised forms will bear an optional use date of 3-1-97 and a mandatory use date of 9-1-97. The Business Offer to Purchase includes an additional page for any real property which may be included in the sale of a business. That page is numbered WB-16a and is entitled Addendum to Business Offer to Purchase. Lest you become confused about the approval of various addenda in the marketplace, remember that only forms with the letters "WB" in their title are state-approved forms which must be used for transactions relating to them. Other addendum forms have been prepared by forms printers for the convenience of licensees. These other forms are not "state-approved" forms and they need not be. However, the preparation and use of them is governed by s. RL 16.06 (4) of the Wisconsin Administrative Code.

### **Home Inspectors**

Home inspectors are not required to be licensed in Wisconsin. Whether they will be in the

future will depend on whether a bill is introduced in the 1997 Wisconsin Legislature and enacted into law. The Department has been informed that a bill will be introduced this year.

### **Proposed Rule Change**

The Department and the Real Estate Board have proposed a rule change which will reduce the number of hours of education which a person who is licensed in another state must take at a Wisconsin-approved school before sitting for the pre-license exam and obtaining a Wisconsin real estate license. Currently, a licensee from another state who applies for a salesperson's license must take 23 hours of education at a Wisconsin-approved school, unless the person qualifies for the attorney or higher-education waiver. A licensee from another state who applies for a broker's license must complete the 23 Wisconsin hours, plus 20 additional hours of education at a Wisconsin-approved school, unless the person qualifies for the attorney or higher-education waiver. A salesperson applicant must also pass the state portion of the salesperson's exam; a broker applicant must pass the state portion of the salesperson's exam and the complete broker's exam. The proposed rule would reduce the number of hours of education which must be obtained at a Wisconsin-approved school from 23 to 13 and from 20 to 3 hours. Applicants will still be required to pass the licensing exam(s). They must also obtain the rest of the 72 hours of salesperson's education and of the 36 hours of the broker's education in another state or in Wisconsin.

### **Personal Assistants**

In the last issue of the Regulatory Digest we told you that Secretary Marlene Cummings had appointed a committee to advise the Department and the Real Estate Board concerning the activities which unlicensed personal assistants should be permitted to perform or be prohibited from performing in Wisconsin.

The committee made the following recommendations, many of which confirmed current practices, such as: (1) Any real estate licensee who hires an unlicensed person to

engage in any activities which relate to the practice of real estate, but which do not require a real estate license, should enter into an agreement between the licensee and his or her employing broker; (2) A non-licensed assistant should be allowed to conduct "cold-calling" on behalf of his or her employing salesperson. The committee recommends that unlicensed assistants be given a script which is narrowly drafted so as to limit the unlicensed assistant's inquiries to whether or not the consumer has an interest in the employing salesperson's services. The assistant may call on behalf of the employing salesperson and, if the consumer is interested in the employing salesperson's services, schedule an appointment between the consumer and the employing salesperson; (3) The unlicensed assistant should be permitted to prepare and send advertisements to the media in

accordance with the policies and procedures of the broker-owner. The unlicensed assistant's immediate supervisor and the employing broker should be accountable for any ads which do not comply with statutes and rules; (4) An unlicensed assistant should be permitted to perform the secretarial function of typing a document under the direction of a licensee. It is important to note that the licensee's name will be on the form, showing that he or she negotiated it and is responsible for its contents.

Finally, the Committee recommended that the Board and the Department promulgate an administrative rule to effectuate the Committee's recommendation that unlicensed assistants should only be allowed to conduct open houses when accompanying a licensee.

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### **REAL ESTATE DISCIPLINARY ACTIONS TAKEN**

#### **RANDALL KRYSENSKI (HARTLAND WI)**

Held himself out as and acted as a real estate broker, without a license; aided and abetted unlicensed practice by corporate brokers (see, AMA Industries, Inc., and Mayfair Real Estate, Inc.); violated prior board order; failed to designate licensed broker to maintain and be responsible for trust account; and made disbursements from a trust account without client authorization. May not apply for broker's license for two years. Also ordered to pay costs of \$6,833.80. Effective 9/26/96.

#### **VOLUNTARY SURRENDER**

#### **AMA INDUSTRIES, INC., MAYFAIR REAL ESTATE, INC. A/K/A RE/MAX WEST, INC. (HARTLAND WI)**

Engaged in corporate real estate practice without licenses. (See, Krysenki). Effective 9/26/96.

#### **VOLUNTARY SURRENDERS**

#### **GREGORY J. REAMER (GREENFIELD WI)**

Convicted of filing false individual tax return. Reprimanded and ordered to take 8 hours of education in ethics and to work only under the supervision of another broker. Effective 9/26/96.

#### **LIMITED**

#### **LYNDA P. PARFITT (OSHKOSH WI)**

Failed to timely deposit earnest money; failed to sign earnest money receipts on offer when received; failed to timely disburse commissions from trust account; failed to perform monthly trial balances; failed to print monthly reconciliations from computer files; failed to establish an interest-bearing common trust account; and failed to provide new disclosure of agency forms to parties. Reprimanded and ordered to take 5 hours of real estate related education. Effective 9/26/96.

#### **LIMITED**

#### **PAPER VALLEY CONSULTANTS, INC. (OSHKOSH WI)**

Licensee-officer of company violated real estate laws. (See, Parfitt). Also ordered to pay costs of \$300. Effective 9/26/96.

#### **FORFEITURE \$400**

#### **VIRGINIA L. BRACKENS (MILWAUKEE WI)**

Failed to perform required trust account duties and failed to supervise delegated bookkeeper, resulting in failure to have proper trust accounting system. Voluntarily surrendered broker's license and issued a salesperson's license prohibiting access to or responsibility for a trust account for two years. May not apply for a broker's license for two years. Effective 9/26/96.

#### **VOLUNTARY SURRENDER**

### **1997-1998 REAL ESTATE CONTINUING EDUCATION REQUIREMENTS**

All licensees, except those who were issued their first Wisconsin real estate license after January 1, 1997, must satisfy the continuing education requirement during 1997-98 in order to renew their license in a timely manner in the fall of 1998. The license renewal deadline is December 31, 1998. Licensees may complete the 1997-98 continuing education after that date; however, their license may not be renewed until they complete the education and pay a late renewal fee of \$25 and they may not engage in the practice of real estate after that date.

**There are two basic alternatives for completing the requirement:**

**Alternative #1: Continuing Education Courses Approved by the Department**

4 courses of at least 3 hours in length at a school approved by the Department. The 4th Course ONLY has options which relate to specific areas of practice. **All courses must be approved by the Department before a school may grant a certificate of attendance to a licensee.**

- |           |  |
|-----------|--|
| Course 1  | Listing Issues (Everyone must take.)   |
| Course 2  | Offer to Purchase and Other Sales Contracts (Everyone must take.)  |
| Course 3  | New Developments (Everyone must take.)   |
| Course 4A | General Real Estate Practice Elective (Everyone must take this elective <b>OR</b> one of the other 4 electives.) |
| Course 4B | Broker-Manager Elective (Everyone must take this elective <b>OR</b> one of the other 4 electives.)               |
| Course 4C | Commercial Elective (Everyone must take this elective <b>OR</b> any of the other 4 electives.)                   |
| Course 4D | Property Management Elective (Everyone must take this elective <b>OR</b> one of the other 4 electives.)          |
| Course 4E | Rural/Farm/Vacant Land Elective (Everyone must take this elective <b>OR</b> one of the other 4 electives.)       |

**ALTERNATIVE #2: Continuing Education Test-Out Exam**

This alternative will be available from July 1, 1997, until June 30, 1998. The cost of the exam will be \$49.

A study guide will be available later from the Wisconsin Realtors Association.

Department of Regulation and Licensing  
Real Estate  
P.O. Box 8935  
Madison, WI 53708-8935

Address Correction Requested

# REGULATORY DIGEST

Bulk Rate U.S. Postage Paid Madison, WI Permit No. 1369
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**JOSEPH P. ANZIVINO (WAUKESHA WI)**

**SUSPENDED INDEFINITELY**

Violated board order. Failed to pay \$300 forfeiture and obtain the real estate education previously ordered on 2/27/96. Suspended until the conditions of the prior order have been satisfied. Effective 10/24/96.

**RAYMOND HOVDE (MADISON WI)**

**SUSPENDED INDEFINITELY**

Violated board order. Failed to obtain the real estate education previously ordered on 3/28/96. Suspended until the conditions of the prior order have been satisfied. Effective 10/24/96. [Subsequently, board accepted voluntary surrender of license on 12/18/96].

**CURTIS L. CRANE (CHETEK WI)**

**LIMITED**

Continued to market property after expiration of listing contract. Ordered to take 6 hours of real estate related education. Effective 10/24/96.

**JAMES C. THOMAS (MILWAUKEE WI)**

**LIMITED**

Failed to appropriately guide parties regarding necessary code compliance provisions and need for certificate of code compliance from city prior to closing; and failed to accurately maintain an appropriate bookkeeping system. Reprimanded and ordered to take 9 hours of real estate related education. Effective 10/24/96.

**JAMES C. THOMAS COMPANY, INC. (MILWAUKEE WI)**

**REPRIMANDED**

Licensee-officer of company violated real estate laws. (See, Thomas). Effective 10/24/96.

**DIANE R. HUENINK (OOSTBURG WI)**

**LIMITED**

Failed to reduce to writing parties agreement on extending closing and payment of use and occupancy charges. Reprimanded and ordered to take 8 hours of real estate related education. Effective 12/12/96.

**VELMA WILLIAMS (ADAMS WI)**

**LIMITED**

Failed to maintain daily journal and ledger, and monthly bank reconciliations and trial balances; failed to properly disburse trust funds to parties; and created trust account shortages due to improper disbursements. Reprimanded and ordered to take 5 hours of real estate related education. Also ordered to pay costs of \$500. Effective 12/22/96.

**JESSICA L. LEUSMAN (WEYERHAEUSER WI)**

**REVOKED**

Failed to provide quarterly reports with the department concerning her practice and dealings with the public, along with reports from probation officer, contrary to the terms of a prior order granting her a limited license to practice as a real estate salesperson. Effective 12/20/96.